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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

LAUNCHING OF GLOBAL NEGOTIATIONS ON INTERNATIONAL ECONOMIC COOPERATION FOR DEVELOPMENT

REVITALIZATION OF THE WORK OF THE GENERAL ASSEMBLY

RESTRUCTURING AND REVITALIZATION OF THE UNITED NATIONS IN THE ECONOMIC, SOCIAL AND RELATED FIELDS

DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION

EXTERNAL DEBT CRISIS AND DEVELOPMENT

INTERNATIONAL COOPERATION FOR THE ERADICATION OF POVERTY IN DEVELOPING COUNTRIES

OPERATIONAL ACTIVITIES FOR DEVELOPMENT

INTERNATIONAL COOPERATION FOR ECONOMIC GROWTH AND DEVELOPMENT

INTERNATIONAL CONFERENCE ON POPULATION AND DEVELOPMENT

INTERNATIONAL CONFERENCE ON THE FINANCING OF DEVELOPMENT

IMPLEMENTATION OF DECISIONS AND RECOMMENDATIONS OF THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT

ADVANCEMENT OF WOMEN

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Letter dated 9 August 1993 from the Permanent Representative of Indonesia to the United Nations addressed to the Secretary-General

In my capacity as Chairman of the Coordinating Bureau of the Non-Aligned Movement, I have the honour to transmit herewith the Final Document of the Standing Ministerial Committee for Economic Cooperation of the Non-Aligned Movement meeting held in Bali from 10 to 13 May 1993.

I should be grateful if you would have the text of the present letter and its annex circulated as an official document of the General Assembly, under items 12, 50, 53, 56, 92, 93, 94, 95, 96, 97, 98, 100 and 112 of the provisional agenda.

(Signed) Nugroho WISNUMURTI
Ambassador
Permanent Representative

13 May 1993
Original: ENGLISH

MEETING OF THE STANDING MINISTERIAL COMMITTEE FOR ECONOMIC COOPERATION OF THE NON-ALIGNED MOVEMENT
BALI, 10-13 MAY 1993

ANNEX

FINAL DOCUMENT

I. INTRODUCTION

1. The Meeting of the Standing Ministerial Committee for Economic Cooperation of the Movement of the Non-Aligned Countries was held in Bali, Indonesia from 10 to 13 May, 1993. The Meeting derived its mandate from the Jakarta Summit which decided to extend to the Chairman of the Movement the necessary flexibility, inter-alia, to convene at the earliest possible date a meeting of the Standing Ministerial Committee for Economic Cooperation.

2. Representatives of the following countries which are members of the SMC participated in the meeting are: Members of NAM: Algeria, Bangladesh, Burkina Faso, Cameroon, Colombia as Chairman of the Group of 77, Côte d'Ivoire, Cuba, Cyprus, Egypt, Ghana, Guatemala, India, Indonesia, Iran (Islamic Republic of), Kenya, DPR Korea, Madagascar, Malaysia, Morocco, Nicaragua, Nigeria, Pakistan, Palestine, Papua New Guinea, Philippines, Senegal, Sri Lanka, Suriname, Syria, Tanzania, Tunisia, Zaire, Zambia and Zimbabwe. Observer: Thailand

3. The following delegations attended the Meeting as Observers: Members of NAM: Benin, Brunei Darussalam, Chile, Guinea, Gambia, Guinea Bissau, Iraq, Jamaica, Jordan, Kuwait, Lao People's Democratic Republic, Libyan Arab Jamahiriya, Myanmar, Peru, Saudi Arabia, Sudan, Uganda, United Arab Emirates, Venezuela, Vietnam and Yemen. Observers: Croatia, Mexico and the United Nations.

4. Guest delegations of the following countries were present in the meeting : Australia, Austria, Bulgaria, Czech Republic, Slovak Republic, Finland, Germany, Greece, Netherlands, Poland, Romania, Slovenia, Spain, Sweden and Switzerland.

5. At its inaugural session, the Meeting was honoured to hear the keynote address given by the President of the Republic of Indonesia, His Excellency Mr. Soeharto. The Meeting agreed to include the inaugural address as valuable guidance for its deliberations and to attach it as an official record to the Final Document.

6. The meeting also heard the statement by the Chairman of the Group of 77 in New York, which was then attached as an official record to the Final Document.

7. The establishment of the Standing Ministerial Committee for Economic Cooperation was initially discussed and approved by the Ministerial Meeting of the Coordinating Bureau of the Non-Aligned Countries in New Delhi in 1986. The need was felt to enhance the NAM's response to the changing times especially in respect to the key areas in international cooperation for development. In its report (NAC/Conf.8/Doc.7), the Bureau presented its recommendations on the SMC to the Eighth Summit Conference at Harare in 1986. The Summit adopted these recommendations and established the SMC.

8. The First Substantive Meeting of the SMC of the NAM, held in Harare from 4 to 7 July 1988, issued a final document entitled "Assessment of the Current State of North-South Dialogue and Proposal for its Revitalization", which was subsequently circulated as an official document of the United Nations General Assembly as Doc.A/43/713 on 14 October 1988. Preparatory meetings were held in New York in February, March and April 1993 together with the preparatory meeting at the Senior officials level in Bali on May 10, 1993.

9. The main purpose of the meeting, as mandated by the Jakarta Summit, was to relaunch the North-South dialogue and to strengthen South-South cooperation so as to contribute towards development and the eradication of poverty. In doing so, the Ministers sought to build upon what is still relevant from the first SMC Meeting and to explore all possible avenues for effectively engaging the North in constructive negotiations and to devise a well-defined and workable strategy accordingly. The Meeting also discussed ways and means for strengthening South-South cooperation. These twin objectives were designed to help provide a supportive context for stimulating the recession-bound world economy and for accelerating development. The Meeting also served to strengthen, broaden and coordinate the members' positions regarding multilateral economic cooperation as well as promoting cooperation among themselves.

10. The Ministers decided that for the future, the SMC should focus on specific economic priorities. They further decided to

enhance communications between members and the Chairman and to hold meetings of the SMC on a periodic basis as appropriate.

II. REACTIVATION OF A CONSTRUCTIVE DIALOGUE BETWEEN THE NORTH AND THE SOUTH

11. The Ministers recognized that, in spite of the efforts made by Zimbabwe as Chairman of the Movement, the implementation of the decisions taken at the First Substantive Meeting of the SMC in Harare, 1986, was hampered by the lack of political will on the part of developed countries. They stressed that despite the lack of progress, the rationale for the establishment of the SMC was still pertinent today. In this regard, they recognized that the context within which the Harare SMC meeting took place had substantially changed and that the new context of a radically changed world order offered new opportunities and challenges for the North-South dialogue. The Ministers decided to confine their assessment and recommendations in the North-South context to issues that were both critical to their development interests and that this presented reasonable expectation as negotiable positions with the North. In this context, the Ministers expressed their full support to the initiative undertaken by President Soeharto, the current Chairman of the NAM, for a meeting with the G-7 leaders in Tokyo to present views and new orientations of NAM for reactivation of North-South dialogue.

12. The Ministers noted that despite substantial initiatives launched over the past two decades by the relevant special

sessions of the General Assembly and the international development strategies for various decades and other multilateral conferences to achieve a just and equitable international economic order, little or no progress has been achieved. They also asserted that the end of the Cold War and the onrush of globalization and interdependence, have not yet had a beneficial impact on the North-South relationship. On the other hand, the need to accelerate development, to narrow the gap between the North and South and to eradicate poverty in the world has increased. In this regard, the Ministers expressed concern with some of the policies and practices of the North and called on the Non-Aligned Movement in collaboration with the Group of 77, to formulate and elaborate a negotiating framework to assist the South in relaunching the dialogue on economic cooperation and development with the North.

13. The global economic system remains characterized by deepening imbalances and pervasive uncertainties which weigh heavily against the interests of the developing countries despite efforts made by many developing countries to undertake economic reforms including structural adjustment programmes. The problems of the continuing debt crises, volatile interest rates, reduced capital flows to developing countries, deteriorating terms of trade, persistent decline in commodity prices, mounting protectionism in the developed countries and restricted access to market and technology as well as, until recently, the negative net transfer of financial resources from developing countries to

developed countries and poverty have seriously undermined the development efforts of the developing countries.

14. The Ministers emphasized that the resumption of the North-South dialogue should be aimed at creation of a just, equitable and stable international economic environment, in which the aspiration of every country for prosperity and development would be attainable.

15. The Ministers stressed the urgency for the United Nations and other organizations such as the IMF, the World Bank and the GATT to make themselves more effective in correcting global economic imbalances. Decisions on issues of crucial importance to the majority of nations frequently do not reflect fully the interests of the developing countries. Accordingly, the Ministers stressed the urgency for such organizations to take into consideration the interests of developing countries as well as to strengthen the role of the United Nations in the decision-making process of the global economy.

16. In response to those circumstances mentioned above, the Ministers stressed that, in order to bring about a new era of global partnership for development, the NAM saw no viable alternative to a constructive North-South dialogue. They further recognized that closer cooperation was imperative. It has also become increasingly recognized that the South could neither easily achieve its full potential for development through its own efforts alone, nor could the continued economic success of the

North be assured in the absence of development progress in the South. The Ministers further asserted that the North-South negotiations should be a cooperative process based on the economic imperative of mutuality of interests, common benefits and increasing interdependence.

17. The Ministers further asserted that both developed and developing countries should make efforts to engage in a comprehensive dialogue on all key issues of development, inter-alia, development finance, investment, external debt, monetary issues, international trade and commodities, science and technology and environment and development.

18. The Ministers emphasized that the North-South dialogue requires strengthened commitments and especially increased political will that would enhance and build upon the emerging consensus on development which should be reflected in the strengthened international institutions. The most recent agreements on multilateralism and international cooperation for development, now evident in various commitments and documents, such as the Declaration of the 18th Special Session of the United Nations General Assembly, the IDS for the Fourth United Nations Development Decade, UNCTAD VIII, UNCED, U.N. New Agenda for Development of Africa (UN-NADAF) and the Programme of Action for the LDC's for the 1990's, together constitute a good basis for strengthening the global partnership for development. The Ministers committed themselves to build upon these commitments and stressed that the North-South dialogue should be based on the

imperatives of genuine interdependence, mutuality of interests and benefits and shared responsibilities.

19. The Ministers also stressed that the focus of the dialogue should consider programmes that are action-oriented, pragmatic, realistic and above all aimed at achieving concrete results. In this regard, the Ministers recognized the need to forge a common and workable strategy of Non-Aligned Movement and other developing countries corresponding to recent developments and to take a concerted action in negotiations with the North. And they asserted that any mechanism designed for bringing about a meaningful North-South dialogue in the United Nations as well as in the other forums which are mutually agreed could only be viable and widely acceptable if based on the recognition of the United Nations as its universal framework and rooted in the fundamental principles and purposes of its Charter.

A. International Trade and Commodities

(a) International Trade

20. The Ministers recognized that increased access for developing countries' exports especially in areas of their comparative advantage would increase their purchasing power for imports as well as repayment of their debt from the North. The Ministers observed that developed countries are resorting increasingly to unilateral protectionist measures in clear violation of the rules of international trade. They further

observed that it was ironic that these protectionist measures are taking place at a time when the developing countries have taken initiative to liberalize their trade regimes and to integrate their economies into the global system of trade and finance. The Ministers stressed the need for developed countries to roll back protectionism in its many forms, including those managed trade and non-tariff barriers, and to eschew unilateral trade actions so that developing countries can have greater access to international markets.

21. The Ministers stressed the need to continue the on-going Uruguay Round with maximum transparency and to give full consideration to the interests of developing countries. The Ministers also reiterated the urgent need to bring the Uruguay Round to an early successful and balanced conclusion of the negotiations which could lead to the liberalization and expansion of world trade and effectively counter emerging protectionist demands and strengthen the GATT as an indispensable instrument for free trade. Without a speedy and fair conclusion to the Round, they asserted that there would be an increasing danger of intensified protectionism with even the possibility of developing into trade wars. In this context, they urged the developed countries to avoid aggravating the severe economic difficulties facing the developing countries by pursuing reprehensive trade practices, including corrupt practices. They called for an early negotiation and adoption of binding international instrument aimed at ending such trade practices.

22. The Ministers reaffirmed the importance they attach to international trade as a locomotive for accelerating world economic growth and development. They also asserted that the expansion of world trade would increase prosperity and fulfil the mutual benefits of both North and South. In this context, they called on all countries to commit themselves to an open, non-discriminatory and rule-based international trading system that would provide an effective and viable basis for such growth and development.

23. The Ministers reiterated the importance of strengthening the rules of international trade so as to make them more responsive to the interests of all countries and to reflect the development dimension as had already been agreed to in Punta del Este. It was thus seen necessary that the Uruguay Round should incorporate not only the proposals of the North but also of the South. They expressed concern that the interests of the North dominated the Round, thus opening the way for new dependencies to emerge with their attendant distortions, instabilities and injustices. There should be an evaluation of the results of the Round from the perspective of the developing countries as mandated in the Punta del Este Declaration. The Ministers reaffirmed the need to continue to coordinate their positions, forge a consensus on their interests and to seek unified action. In this context, the Ministers asserted that the removal of existing distortions in the trade of agricultural and tropical products and textiles is a fair demand in compliance with the terms of the Uruguay Round.

24. The Ministers recognized that trade in services was an expanding sector in International trade and that its liberalizations was considered important by the developed countries who have a strong comparative advantage in this area. In acknowledging this, the Ministers stressed that the Uruguay Round should continue to address the interests of all parties in the issue, particularly the development needs and concerns of the developing countries. It is important that market access is given to developing countries by way of greater flexibility in the movement of labour force. The Ministers, while emphasizing the importance of the development dimension of the outcome of the Uruguay Round, stressed that this outcome should facilitate not only the development and strengthening of the service sectors of developing countries but also the expansion of their share of international trade in terms of service sector coverage as well as their export value. In this context, they expressed the need of developing countries for technical assistance from the developed countries and international organizations and institutions.

25. The Ministers felt strongly that in order to effectively promote development in this era of interdependence and to redress the widening gap between the developed and developing countries, there was a continuing need to strengthen the Generalized System of Preferences (GSP). They sought to ensure that the scope of such preferences should be expanded and improved, at the same time ensuring greater predictability and stability to the system

at large. There was a need to avoid using the GSP for obtaining concessions and linking with considerations extraneous to it.

26. The Ministers recognised the relevance and interlinkages between environment, trade and development and emphasized that environmental considerations should not be used as a pretext to create new impediments to trade. They welcomed dialogue and consultations on this issue.

27. The Ministers called for an end to the use by developed countries of economic coercive measures against developing countries for political reasons or to attach any political conditionalities to international cooperation for development. They urged the international community to adopt urgent and effective steps to discontinue such practices.

(b) Commodities

28. The Ministers pointed out that commodity trade is the life-blood for advancing development in numerous developing countries. They recognized that the developing countries, in general, remained heavily dependent on commodity exports for their foreign exchange earnings, while some unduly continued to be dependent on one or two commodities for more than fifty percent of their export earnings. The virtual collapse of commodity prices and the disarray in commodity markets have severely undermined their development efforts and their ability to meet their debt payments. They believed that UNCTAD's initiatives, the

integrated Programme for Commodities and the Common Fund which were adopted after exhaustive negotiations though now almost abandoned, should warrant a second look. At the same time supplementary action in the form of diversification of their respective export bases, product improvement, etc. should be promoted. The Ministers noted that much of the depression in commodity prices is a direct result of distortions in supply and demand, and they therefore urged that these distortions should not continue.

29. The Ministers welcomed the policy measures already agreed upon at UNCTAD VIII which included, among others, the importance of full and active participation by consumers and producers in international commodity agreements and arrangements, national commodity policies and international environment that encourages diversification and competitiveness, international support for such national policies and maximum participation in the Common Fund for Commodities.

30. To improve the commodity situation, the Ministers were committed to take steps to work towards strengthening international cooperation in the field of commodities as an essential condition for accelerating growth and ensuring sustainable development.

31. The Ministers called on the international community to fully support the developing countries in their efforts to improve the marketing, distribution and transportation of commodities

including local processing, taking full advantage of innovations and new achievements in science and technology. In this regard, they called on the developed countries to improve access to their markets through, inter-alia, the removal of tariff and non-tariff barriers and the abolition of subsidies which hamper the commodity exports of developing countries.

32. The Ministers stressed the need to continue the efforts to explore realistic and flexible mechanisms for stabilizing commodity markets, through among others the improvement of existing international commodity agreements and arrangements as well as the establishment of new ones. The compensatory financing facilities for the export earnings shortfalls of developing countries commodity exports should be considered as an integral and complementary part of international action on commodities. The Ministers, therefore, urged the international community to contribute constructively to the creation of stable and remunerative conditions for commodities which would be of mutual benefit to both producers and consumers. The Ministers took note of the proposal for convening an international conference on commodities as well as the decision by UNCTAD VIII to launch a process of consultations on convening such a conference.

B. Development Finance, Debt and Monetary Issues

(a) Development Finance

33. The Ministers reasserted that discussion on provision of adequate flows of finance for development was a vital component for North-South cooperation. At the Tenth Summit, the Heads of State or Government expressed their grave concern over the failure of the international financial system to furnish adequate development finance over the past decade. They called for a wide range of actions on a broad front, to revitalize the growth and development of the developing countries and, in particular, the stimulation of new and additional financial flows for development. In addressing this objective, the Ministers noted that while external financial flows improved in the past couple of years after seven years of crippling negative flows, the financial and monetary systems have not been adapted to the development challenges faced by the developing countries nor are they adequate for the challenges of the 1990s. The Ministers acknowledged that a substantial increase in the aggregate level of resources were critical if development was to be invigorated and if the ongoing economic reforms including structural adjustment process in the developing countries was to be achieved. They also noted that the commitments to boost financial flows undertaken by the North in various intergovernmental forums had not been fulfilled. The Ministers therefore explored various avenues and sources of capital flows in their search for the best means to positively affect

multilateral cooperation in this area. In this context the Ministers reiterated their call for the convening of an International conference on the financing of development.

34. To bolster financial flows, the Ministers made the following suggestions:

a. Official Development Assistance (ODA) : Since ODA is the main source of external financial flows for many developing countries, the Ministers considered that the developed countries could do more to fulfil its commitments for attaining the agreed upon target of 0.7 per cent of their respective GNPs and that in respect of the LDC's, the donor countries which have not yet met the target of 0.20% should at least meet the sub-target of 0.15 per cent which was set in 1991. Prospects for achieving additional flows through ODA which have been heightened during such intergovernmental meetings as UNCTAD VIII in Cartagena and the United Nations Conference on Environment and Development in Rio de Janeiro should be pursued.

b. Foreign Direct Investment (FDI) : Noting the increasing promise of FDI as an important source of financial flows for the development of developing countries, the Ministers urged the continued strengthening of this source. In this context, they were of the view that transnational corporations play a vital role as a vehicle of foreign investment to modernize industrial structures and integrate

them in the global market. The Ministers acknowledged that the FDI sources have their limitations, but also stressed that they can easily fit into the framework of mutuality of interests and benefits and shared responsibility and that they present the developing countries with constructive negotiable options. The Ministers expressed their concern on recent trends diverting FDI flows away from the developing countries despite the efforts made by these countries to create a favourable environment for such investment.

c. Multilateral Financial Institutions : The Ministers strongly believed that these institutions could play a greater role in mobilizing global saving surpluses and in channeling them in support of viable development projects and programmes in the developing countries. In this regard, they stressed the need for a considerable increase in both the capital base of the regional development banks and the World Bank. In addition, they saw a strong case to call for a new substantial and unconditional increase in the resources of the IMF. They also considered it timely and important that the SMC keeps the evolution of these institutions under review so as to ensure their increasing responsiveness to all nations and more equitable representation of the developing countries. The Ministers also stressed that it was unfair to reorient scarce financial flows in favour of countries that, despite current economic transformations, are privileged with

structural, technological and development capacity in comparison with the majority of the developing countries, that do not, ironically, benefit from those substantial flows. The Ministers, in noting the diverse and substantially increased demands on international financial resources, including those related to the reconstruction of "the economies in Central and Eastern Europe", called for a new substantial allocation of SDR's and the need to establish a link between the creation of SDR's and development finance needs. The Ministers asserted that it was timely and urgent that efforts should be made to strengthen international financial cooperation for development and to mobilize adequate levels of financial resource flows.

35. The Ministers further emphasized that any attempts to impose conditionalities on the developing countries violate the basic principle of neutrality of multilateral assistance, such conditionalities are unacceptable and they stressed that financial contributions should be untied.

(b) External Debt of Developing Countries

36. The Ministers considered that although some progress has been made in the external debt problems, its devastating effect continues to cripple the development efforts of a majority of developing countries was a pivotal element in multilateral cooperation. Noting that indebtedness in the developing

countries doubled in the past decade to 1,400 billion in 1992, the Ministers reviewed the policies and measures already taken in the international debt strategy. They noted that, while the international debt strategy has substantially evolved, the experience of the developing countries with a variety of debt-relief approaches has been generally unsatisfactory. Thus, further evolution of the international debt relief schemes was imperative.

37. The Ministers stressed that only a comprehensive and durable solution would constitute a viable approach to the external debt problem as rescheduling alone has had little positive impact in the past. They also took note of the recent debt reduction measures and initiatives as an important step towards such a durable solution.

38. The Ministers noted that it was now increasingly recognized that the reduction in the stock and service of debt should be a central element. They therefore recommended a coordinated tripartite approach involving developing debtor countries, developed creditors, commercial banks and multilateral financial institutions with the view to substantially reducing the debt and debt services of developing countries. This approach was intended to remove any danger of the need for repeated relief measures in the near future; ensure the positive net transfer of financial resources to the debtor countries; and assure satisfactory economic growth to enable debtor countries to grow out of their debt problems. This approach should also be enhanced and

broadened to cover all types of debt and debtor developing countries. In this regard, special consideration should be given to those countries which, despite an adverse financial situation, continue to meet their debt obligations in a timely fashion.

39. The Ministers expressed concern on the continuing debt and debt service problems of middle-income developing countries and reiterated the need to address the continuing debt problems of those countries through effective debt relief measures, bearing in mind the special situation of certain middle-income African countries. For these middle-income highly indebted countries, the principle instrument for debt relief of commercial debt has been the Brady initiative that has indeed brought considerable short-term relief for few countries. The Ministers stressed, however, that the condition attached to the Brady initiative should be extended to include a large number of countries.

40. Debt reduction measures for the least developed countries whose debt is composed largely of official debts have been undertaken through the Paris Club. To further alleviate the burden of external commercial debt owed by the developing countries particularly the Least Developed Countries the funds allocated for debt reduction facility at the World Bank should be increased and the life of the facility should be extended. Taking into account the variety of debt burdens among developing countries, the Ministers urged the donor countries to expedite the implementation of the UNCTAD's proposal that recommended the adoption of the Trinidad Terms as a benchmark rather than

approaching the debt problem of individual countries on a case-by-case basis.

41. For the purpose of reducing the multilateral debt of developing countries, the Ministers recommended, inter alia: consolidation of IMF financial assistance and their conversion into long-term financial assistance with concessional elements; re-scheduling of World Bank structural adjustment loans into long-term loans; and adopting a Paris Club type package of measures for the low-income countries.

42. The Ministers recognized that the developing countries should be able to benefit from reduction and cancellation of their debts and debt-services to finance their economic and social projects without any new conditionality.

(c) Monetary Issues

43. The Ministers asserted that the current international monetary system, based on the major role played by developed countries, has been inadequate in meeting the demands of the present world situation, particularly the needs of developing countries. They also noted the failure of the international monetary system to stimulate stable world economic growth and to create a financial climate conducive to sustained development. Due to limited participation of developing countries in the decision-making process in the multilateral institutions, their

interests and needs were not adequately reflected and were largely neglected.

44. In the light of these constraints, the Ministers recommended that the international monetary system should be reformed both systematically and institutionally, in order to ensure, inter alia, an effective multilateral surveillance, particularly over balance of payments trends and exchange rate policies of the major developed countries.

45. The Ministers further recommended that:

a. a substantial new allocation of Special Drawing Rights (SDR) should be pursued in order to enhance the availability of international liquidity needed to restore the external finance reserves and creditworthiness of the developing countries, which are essential to putting them in a stronger position to reduce their external debt burdens and to adequately finance their development.

b. the consultations and the decision-making process in the multilateral financial institutions should be democratized, so that the broadened participation would ensure that the development interests and needs of the developing countries would be adequately represented.

c. the initiatives to reform the international monetary system, including the proposal of the Group of 24 on setting up of a Representative Committee of Ministers of developing and developed countries to jointly consider further steps towards a reform of the international monetary system, should receive continued support.

C. Science and Technology

46. The Ministers stressed that science and technology had increasingly become prime determinants of economic development, social change and a country's ability to participate successfully in the world economy. In the increasingly interdependent world, technological progress of the developing countries is chiefly dependent on two factors: their access to technology and the level of their own endogenous capacity. Without an adequate level of participation in the technological revolution process, the developing countries could easily become marginalized. The Ministers considered that the acquisition of technology is a legitimate right of all countries. They urged developed countries to improve the access of developing countries to new technologies on fair and reasonable terms and to foster their dissemination and use. International concern for ecologically sustainable development has added a new dimension to this question. For these reasons, the Ministers considered the issue of technology for development as a critical one for North-South negotiations.

47. The Ministers called for greater access to new and emerging technologies that would help redress the continuing trend of the widening gap between the developed and developing countries. To this end, the Ministers suggested the establishment of cooperative arrangements and joint ventures between the developed and developing countries, including research and development activities, be pursued and expanded.

48. The Ministers recognized the key importance of enhancing the technological capacities of the developing countries. They asserted that to productively benefit from the transfer of technology from developed countries, investment is required for sustained development and capacity building, namely, in the areas of education, training, health, human resource development and technological infrastructure and development of sources of energy and power resources.

49. The development and transfer of environmentally sound technologies have acquired new importance especially since the United Nations Conference on Environment and Development. The critical question for negotiations in this regard was how to ensure that the acquisition of such technologies would be made affordable and fair and how to strengthen their capacities for their full utilization. Such technologies also present the international community with a unique opportunity for increased multilateral cooperation.

50. The Ministers expressed their concern over the policy of obstructing transfer of technology to developing countries in pursuit of political ends. They noted that such policy constituted a serious impediment to the enjoyment of the right to have access to technology, and endanger the development process of the South. Thus, they emphasized the necessity of unhindered transfer of technology to developing countries.

51. The Ministers emphasized that only the developing countries themselves are in a position to decide the kind of technology that would best suit their local needs. International cooperation could help them to acquire the best-suited technology and to develop new appropriate technologies in the developing countries. It was, therefore, felt that countries providing aid should allow recipients to make their own choice of the technology to be imported.

52. The Ministers emphasized that norms and standards on intellectual property rights protection, as well as their patent rights, should not adversely affect the developing countries' financial, trade and development interests. Any legal framework for the protection of intellectual property rights should also stimulate new endogenous technological creativity in developing countries and provide for measures to facilitate access to technology by developing countries on fair and equitable terms and conditions.

53. The Ministers urged the continuing implementation of the Vienna Programme of Action on Science and Technology for Development and called on all countries, especially developed ones, as well as on the international development institutions, to consider seriously the reinvigoration of the United Nations Financing System for Science and Technology for Development as envisaged in the Vienna Programme of Action.

D. Environment and Development

54. The development and transfer of environmentally sound technologies are essential components of a successful strategy for sustainable development. Therefore, it is important to emphasize that effective modalities be agreed upon for the creation, development, favourable access to and transfer of environmentally sound technologies in developing countries on favourable terms, including a concessional and preferential terms. This agreement should include the dissemination of information on existing environmentally sound technologies, and the consideration of additional financial schemes and mechanisms.

55. The Ministers declared that the developing countries will not become the depository of toxic waste generated by unsustainable lifestyles. They called upon all concerned to fulfil their obligations assumed by them under the Agenda 21 and other agreements and commitments relating to the environment.

56. The Ministers reaffirmed that sustainable development is of paramount concern to developing countries, and therefore asserted that the Rio Declaration, Agenda 21, Non-Legally Binding Authoritative Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of all Types of Forests, United Nations Framework Convention on Climate Change and Convention on Biological-Diversity, demonstrated a global commitment to assist the developing countries in both accelerating development and in improving their environment. They were, however, concerned that the necessary financial resources to implement these commitments have not yet materialized.

57. The Ministers stressed that urgent steps have to be taken in order to achieve successful implementation of Agenda 21 in the near future. In this regard, they called on the international community to cooperate on and follow up all programmes incorporated in the 40 chapters of Agenda 21, in particular taking into account the issue of transfer and access to environmentally sound technologies. This would include scientific and technological cooperation, and the affirmation of commitments in terms of specific pledges to assure the flows of new adequate and additional financial resources to the developing countries. They noted that the enhancement of conducive and favourable international economic relations could promote and expedite the early implementation of Agenda 21.

58. The Ministers welcomed the decision of the 47th session of the United Nations General Assembly establishing an intergovernmental negotiating committee for an international convention to combat desertification in countries stricken by drought or by desertification, in particular in Africa. They stressed the importance of the elaboration and adoption of such an international convention before June 1994. They further called upon the developed countries and the relevant international organizations, particularly the United Nations system, to provide support to the negotiating process as well as to developing countries in their participation in this process.

59. The Ministers welcomed the forthcoming meeting of the Commission on Sustainable Development and stressed its vital role in implementing the provisions of Agenda 21. They called upon the Commission to strive to meet the objectives of Agenda 21.

60. The Ministers took note of the emerging initiatives to restructure the Global Environmental Facility (GEF) to underpin the financial needs of agreements and commitments reached at the UNCED Summit as well as Biodiversity and Climate Change Conventions. They underlined the need for the GEF to have universal membership with equitable and balanced representation of all members within a transparent system of governance, and that it should function under the authority of all institutional arrangements arising from the various agreements and commitments taken at the UNCED Summit. The Ministers called upon developing countries to take an active part in the process of restructuring

the GEF in order to safeguard their interests. Such positive action should help to further stimulate financial flows through both the private sector and multilateral institutions. The Ministers committed themselves to increasing the effective utilization of such financial flows.

61. The Ministers called for a cautious approach to the proposal for "Carbon-Dioxide Taxes" which would introduce various constraints to the economic growth and development of developing countries.

III. PROMOTING AND STRENGTHENING SOUTH-SOUTH COOPERATION

62. The Ministers reaffirmed that South-South cooperation is a vital instrument for accelerating the development of developing countries. They were of the view that the developing countries, endowed with both vast human resources and abundant natural resources, have good prospects for strengthening their economic cooperation. They also reaffirmed that it is only by cultivating the spirit of collective self-reliance and by adopting common strategies that the developing countries will effectively implement their socio-economic programmes, based on their own policies and initiatives and thus safeguard their sovereign integrity and independence.

63. The Ministers also reaffirmed that South-South cooperation is an integral part of the strategy for giving fresh impetus to a meaningful dialogue with the North and an essential element in

the efforts to achieve the restructuring of the existing inequitable international economic relations. In this context, they recognized the need to transform the South-South economic relationship by broadening and intensifying ECDC, while engaging the developed countries in a North-South dialogue. They recognized that their negotiating strength and bargaining capacity can only be enhanced when South-South cooperation is strengthened. In this context, it should be made clear to the developed countries that fostering expanded economic cooperation among developing countries would in turn impart added vitality to the growth and expansion of the world economy as a whole and yield corresponding benefits to the developed countries as well. The Ministers, therefore, called on the international community, particularly the developed countries, the United Nations and the multilateral financial institutions to support the South in this endeavour.

64. The Ministers also noted that the Heads of State or Government of the Non-Aligned Movement at their Tenth Summit Meeting in Jakarta had given a mandate for the Standing Ministerial Committee to consider ways and means of strengthening South-South cooperation. They recalled that the Summit Meeting welcomed the Report of the South Commission entitled "The Challenge to the South" and directed the SMC to study the possibilities of implementing its relevant recommendations. The Tenth Summit also considered that the Action Programme for Economic Cooperation (APEC), which is the institutional framework for economic cooperation among Non-Aligned Countries, remains a

viable proposition for coordination and cooperation in the socio-economic development of Non-Aligned Countries.

65. The Ministers stressed that their commitment to strengthen and sustain economic cooperation among developing countries should be reflected in their respective national development plans and policies, and that focal points, such as national committees, should be designated to promote South-South cooperation. Additionally, they stressed that the premise of such policies should be people-centred, building the capacity of self-reliance, giving priority consideration to enhancing human resources and meeting the basic needs of people by providing food security, education, universal primary health care, and employment.

66. The Ministers considered that South-South cooperation should be approached on a mutually reinforcing basis of bilateral, sub-regional, regional, and inter-regional economic groups. This would allow members to readily exploit their complementarities and comparative advantages. Preferential treatment should be given to economic groups within the South as a means of improving the overall efficiency and competitiveness of their productive sectors, and thus expand their participation in regional and world markets.

67. The Ministers acknowledged that a number of initiatives and projects within the framework of South-South cooperation have been launched, but that the full potential of South-South

cooperation is far from being realized. Therefore, the NAM and other developing countries should commit themselves to expand and strengthen present efforts, initiate new and concrete forms and priorities of cooperation, and devise realistic modalities for their implementation. In this context, the Ministers reiterated the value of such concepts as an evolutionary and flexible approach, whereby projects considered viable could be launched by a number of developing countries as long as such projects remain open to all developing countries and not prejudice the basic interest of other developing countries.

68. The Ministers noted the concrete contributions that regional economic groups and institutions are making for the realization of practical and beneficial South-South cooperation, and they recommended that the executive heads of regional economic groups and institutions meet in the near future, preferably during 1993, to exchange their experience as well as explore new dimensions of enhancing South-South cooperation, and that they submit a report to be considered at the next meeting of the SMC.

69. The Ministers stressed that technical cooperation among developing countries (TCDC) is an important catalyst for the South-South development process. They reaffirmed that TCDC is an essential means for strengthening the national and collective self-reliance of developing countries by promoting effective utilization of human resources, an exchange of information, and sharing experiences on development on a regular basis. In this regard, the Ministers determined that it is imperative to

consider ways and means to strengthen and to promote TCDC programmes, and to explore the possibility of developing and implementing joint programmes or projects, and the provision of funding and technical support by donor countries and international organizations.

70. The Ministers recognized the need for increased focus on development schemes that directly address the most common critical needs of developing countries, taking full account of their comparative advantages. Such development schemes should have been proven successful in generating self-reliance and sustainable development, so that they could be replicated through tripartite or multipartite arrangements. To support the implementation of such schemes, both national and international system should be tapped in developing information network on the strategic capacities and capabilities of the developing countries.

71. The Ministers welcome the offer of the Government of Indonesia to convene experts group meeting on development schemes that have been proven successful for generating self-reliance and sustainable development. The Meeting, scheduled to take place in September 1993, will be followed by an open-ended joint meeting of experts and decision-makers of developing countries, to develop and formulate pragmatic and realistic action-oriented programmes.

72. The Ministers noted that the level of activities implemented within the framework of the Action Programme for Economic Cooperation (APEC) had declined remarkably in recent years and that certain areas of cooperation have become characterized by a lack of action or any substantive achievement, due mainly to the scarcity of financial resources and the diminishing interest of the non-aligned countries in APEC. The 7th Meeting of the Coordinator Countries of APEC should therefore undertake a review and assessment of APEC's 13 areas of cooperation in order to identify existing constraints establish priorities and determine its time-frame for project implementation. The Ministers reaffirmed their commitment to revitalize APEC by streamlining its activities and making them more target oriented. They directed that all efforts should be made to plan and implement specific APEC project. They also underlined the importance of institutions and mechanisms established under APEC and urged the members to support them. The effectiveness of these institutions and mechanisms could be further enhanced by establishing cooperative links among them and facilitating exchange of information and experiences.

73. The Ministers noted that development difficulties confronting their agricultural sector places developing countries at serious risk of becoming net food importers, and therefore broad-based agricultural development policies need to be undertaken. In this regard, at the national level, agricultural support systems should be put in place to the extent possible. Since agriculture in many developing countries is not so much a

commercial activity as a way of life, it is imperative that there are no external constraints to inhibit the efforts necessary for increasing agricultural production. Likewise, stronger links are needed to be established among agricultural research centers, as well as joint research and production in agro-industries. Additionally, the Ministers expressed the need for closer cooperation between food-exporting developing countries, and food-importing developing countries, and giving priority and necessary compensation to net-food importing countries and to humanitarian assistance in times of shortage.

74. The Ministers expressed their concern over the critical food situation facing developing countries, particularly during natural disasters and man-made emergency situations, especially in Africa. They welcomed the efforts by Indonesia as Chairman of the Movement in preparing the establishment of an ad hoc advisory group of experts to study in depth all relevant aspects of the food security problems of developing countries. The Ministers endorsed the establishment of the ad hoc advisory group on food security and recommended that this advisory group formulate concrete and practical programmes for the food security of net-food importing developing countries of NAM, taking into account the interests of all non-aligned countries. The Ministers requested that the Chairman of NAM convene the Conference of Ministers of Food and Agriculture of Non-Aligned and other developing countries as soon as possible.

75. The Ministers reiterated the urgent need to effectively address the external debt and debt service problems faced by the developing countries. In this regard, they recognized the potential of enhanced economic and development cooperation among non-aligned countries as an important means of contributing towards a comprehensive and durable solution to this problem. They were also of the view that the developing countries should undertake a number of technical cooperative measures through, inter-alia, an exchange of experiences, expertise and technical advice on debt management; improving the negotiating capacity of developing countries vis-à-vis both the commercial banks and the multilateral institutions, and designing structural adjustment programmes in advance of negotiations with creditors. In this context, they reaffirmed the decision taken during the Tenth Summit of NAM to continue consultative meetings on debt among the non-aligned and other developing countries on a regular basis.

76. The Ministers welcomed the efforts made by Indonesia as Chairman of the Movement in preparing the establishment of an Ad-Hoc Advisory Group of Experts to study all relevant aspects of the debt problem and to make policy guidelines to assist the high intergovernmental level process in conformity with the Tenth NAM Summit resolution on external debt. The Ministers therefore recommended that the Chairman of the NAM formalized the establishment of the Ad Hoc Advisory Group of Expert of the Non-Aligned and other developing countries on external debt.

77. The Ministers envisaged that population issues will be given greater priority in the future, particularly as a result of the International Conference on Population and Development to be convened in Cairo in 1994, and stressed the need to promote and strengthen cooperation among the Non-Aligned Countries in the field of population. They reaffirmed the usefulness of exchanging information and sharing experiences on methods, techniques, and modalities in the implementation of population policies and programmes in their respective countries, which could be best accommodated in the form of TCDC. In this regard, the Ministers underlined the importance of non-aligned and other developing countries to participate effectively at the ministerial level in the conference preparatory process, in the conference itself and in the follow-up of its outcome. With a view to implementing the recent NAM Summit decision on population, the Ministers further reiterated the importance and urgency of convening a ministerial meeting on population to initiate the appropriate consultative process to strengthen cooperation in this field, as well as to formulate guidelines for preparations by the Non-Aligned Countries for the International Conference. The Ministers welcomed the offer made by the Government of Indonesia to host a Ministerial Meeting on Population, in October 1993. The Meeting would formulate guidelines for preparations by NAM member countries for the International Conference on Population and Development to be held in Cairo in September 1994. In this context they took note of the readiness of the Government of Indonesia to make the necessary

preparation which could include expert group meetings and fielding joint-needs assessment missions.

78. The Ministers noted the paramount importance of science and technology for development in the developing countries and that the NAM Centre for Science and Technology, set up pursuant to a NAM Summit decision in 1976, was one of the first and significant ventures in South-South cooperation, which had raised great expectations among developing countries. The Centre, which was set up in New Delhi with the active involvement of the host country, India, had little initial success in the absence of adequate commitment and financial contributions from NAM member States and other sources. The Ministers urged the non-aligned and other developing countries who have not done so, to sign and ratify the Statute of the Centre and provide financial contributions. The Ministers were of the view that if the Centre could be supported to function effectively, it would be a good example for other similar initiatives to follow in the field of South-South cooperation.

79. The Ministers also underlined the need to establish cooperative links or arrangements that facilitate the exchange of information and experiences among the developing countries particularly in the field of biotechnology. The Ministers welcomed the concrete initiative taken by African countries for the establishment of an African Agency of Biotechnology in Algiers, and emphasized the importance of such initiative and

invite Non-Aligned and other developing countries to provide their support to this Agency.

80. The Ministers deplored the lack of bilateral cooperation between developing countries in the area of transfer of technology and science. They expressed the wish that such cooperation should be encouraged.

81. The Ministers emphasized that full participation of women in all aspects of development, both as beneficiaries and as active agents, should remain an integral part of national development plans of Non-Aligned countries. In this regard, they called for the speedy implementation of the recommendations of previous Non-Aligned Conferences and the 1985 World Conference on Women held in Nairobi. The Ministers also considered the 1995 World Conference on Women to be held in Beijing to be an important opportunity for strengthening global commitment towards the Advancement of Women. In this regard, they underscored the need for Non-Aligned and other developing countries to participate effectively in the preparatory process and in the Conference itself. They urged, for the early implementation of the decision of the Jakarta Summit, to convene the Fourth Ministerial Conference of Non-Aligned Countries devoted to the role of women in development for the purpose of coordinating the positions of the Non-Aligned Countries.

82. The Ministers reaffirmed the need for harmonization of the Caracas Programme of Action (CPA) and APEC in order to take full

advantage of complementarities and attain greater efficiency as well as to avoid duplication of efforts in pursuing common goals. They therefore recommend that the Chairman of the Coordinating Bureau of NAM and the Chairman of the Group of 77 in New York undertake necessary measures to operationalize the Joint Coordinating Committee (JCC). In that regard, the JCC mechanism should be centred in New York and also be established at such other United Nations centres that would fully maximize the relationship between the NAM and the G-77.

83. The Ministers stressed that the business sectors in the South, which have vast financial, managerial and technological capabilities, should be mobilized more effectively to promote South-South cooperation. The Ministers recognized that expansion of South-South cooperation requires active encouragement, support and facilitation by governments for participation of the private sector in this field. They underlined the importance of further intensified cooperation amongst the business communities in their respective countries, and proposed that the business sectors should create the necessary modalities and mechanisms for promoting such cooperation. Therefore, they were of the view that special efforts, such as greater participation in trade fairs and exchange of information, should be made to encourage the private sectors to initiate specific and concrete cooperation programmes.

84. The Ministers reiterated that the Global System of Trade Preferences (GSTP) is an important vehicle for promoting and expanding trade among developing countries. They noted that the

first round of negotiations had resulted in little substantive progress, mainly because many countries have not yet ratified the agreement. The Ministers therefore urged the countries which have not yet signed or ratified the GSTP agreement to do so as soon as possible. They called for the second round to start and conclude negotiations according to the time-table recommended by the recent NAM Summit, and to focus on facilitating the expansion of trade among developing countries including at the level of sub-regional and regional groupings. They also welcomed the offer of the Republic of Cuba to host the Ministerial Meeting of the Negotiating Committee after the second round of GSTP negotiations to be concluded, in principle, in July 1994.

85. The Ministers expressed the need to establish trade promotion agencies and associations with private and governmental participation taking into account projects and programmes developed by chambers of commerce and industry of developing countries.

86. Noting that a significant obstacle to trade among developing countries is a lack of financial support structures, the Ministers considered the urgent need to establish mechanisms for payment arrangements to overcome shortages in foreign exchange, concentrating initially on short-term credit. In this context, they also considered the need for greater cooperation among central banks, finance ministries and financial institutions of developing countries in order to support the promotion of trade and other South-South economic activities. To this end, and

noting the important role trade financing plays in facilitating increased trade among developing countries, the Ministers decided that ways and means for establishing an international trade financing facility, as proposed by the South Commission, as well as other complementary bilateral and multilateral payments arrangements, should be explored.

87. Noting the importance of the commodities sector for the development of developing countries, they considered the need for establishing direct marketing arrangements among producers and consumers of commodities in developing countries in order to revitalize their commodities sectors, promote rapid industrialization and to obtain fair and remunerative prices.

88. The Ministers reaffirmed that information and communication are an essential means for efficient functioning of many of the proposed projects, mechanisms and schemes for South-South cooperation. They were therefore of the view that information and communication links among the member countries should be enhanced and improved, so as to contribute to the success of the implementation of South-South cooperation, inter alia, through the establishment of links among data exchange centres. The Ministers welcomed the forthcoming Conference of Ministers of Information of Non-Aligned Countries to be held in Pyongyang from 15-18 June 1993.

89. The Ministers considered that cooperation and coordination in the area of insurance and reinsurance should be strengthened

in order to enhance their global competitiveness, inter alia, through increasing capacities and exchange of information among insurance companies of developing countries. They also expressed interest in establishing joint institutions, where feasible, in order to enhance the insurance and reinsurance sectors in developing countries.

90. The Ministers observed with concern that flows and trends in foreign direct investment have continuously been concentrated in industrialized countries. To reverse this situation, they stressed the need to improve further the climate for investment flows among developing countries by initiating competitive and favourable arrangements policies, encouraging South-South investment flows, as well as establishing larger markets through bilateral, sub-regional, regional and inter-regional economic cooperation. In this context, they also considered the need to encourage further initiation of bilateral and multilateral investment agreements, as well as other types of cooperative arrangements particularly in the field of investment.

91. The Ministers stressed the need for greater cooperation in the fields of education, particularly in science and technology, management, training, public administration and medicine, which are of paramount importance for the economic and social development of the developing countries, student exchange progammes and fellowships among developing countries should be further promoted, along with a means of financing such arrangements that would promote higher education and research at

"Centres of Excellence" within developing countries. In this connection, Non-Aligned Countries with considerable knowledge and experience in particular fields, such as population projects and rural health care, could become training centres and models for possible replication. In this context, the Ministers stressed the importance of the implementation of the Programme of Action on Education and Culture and the recommendations adopted by the First and Second Meeting of Ministers of Education and Culture of NAM, held respectively in Pyongyang in September 1983 and in Havana in April 1985. They also welcomed the offer of the 4th Film Festival of Non-Aligned and other Developing Countries to be held in Pyongyang from September to October 1994 and called on the member countries to take an active participation in this festival.

IV. LEAST DEVELOPED COUNTRIES

92. The Ministers reiterated their concern at the decline in achieving targets for aid to LDCs from their development partners. They underlined that since the adoption of the Programme of Action, six new countries have been added by the UNGA to the group of LDCs on application of a new set of criteria and hence there was a clear need for additional resource flows to meet this expansion.

93. The Ministers once again called for full and effective of implementation of the New Substantial Programme of Action for the LDCs for 1990s by all parties. They also emphasized that

particular attention should be paid to reactivation of acceleration of growth and to sustained development in the LDCs. In this context they noted the acute debt problems being faced by the LDCs, as highlighted in the South Commission's recent Report, and renewed the call to the donor countries to consider writing-off all LDCs debts or at least convert them into grants.

94. The Ministers also expressed concern that some LDCs were also victims of natural calamities and disasters and urged the international community to extend all help and cooperation to them to recover from the enormous losses which they suffer on this account.

V. CRITICAL ECONOMIC SITUATION IN AFRICA

95. The Ministers noted that the continuing critical economic situation in Africa was rooted in a number of sources, both internal and external. This include a crippling debt burden, high interest rates, depressed commodity prices and dependency, structural deficiency and inadequate external financial resources for economic growth, sustained development and self-sufficiency. Also lack of adequate human resources development and transfer of technological know-how from the North to the South are other factors constraining Africa's economic growth and development. The Ministers, therefore, urged the international community to make concerted efforts to assist African countries to overcome the problems.

96. The Ministers called upon African states and the international community to honour their commitments in conformity with the new programmes of work of the new Agenda for the Development of Africa (UN-NADAF) in order to assist Africa in its efforts to realize different aspects of development, particularly human development and to resolve the debt problem which threatens reform and development in the long-term, and to create a climate conducive to attracting investment and protection of the environment. They further called upon developed countries to allocate 0.7 per cent of their Gross National Product to official development assistance for the acceleration of economic reforms in Africa.

VI. THE ROLE OF THE UNITED NATIONS IN INTERNATIONAL COOPERATION FOR DEVELOPMENT

97. The Ministers noted that as envisaged in its Charter, the United Nations has a central and paramount role to play in promoting international cooperation for development. They asserted that the United Nations, based on the principle of the sovereign equality of all States and the universality of its membership, it is the appropriate forum for the discussion and implementation of issues relating to international cooperation for development. In this context, they stressed the need for restructuring and revitalizing the United Nations in the economic, social and related fields, so as to strengthen them and make them more responsive to both the changing realities and the development needs of the developing countries. The Ministers

reaffirmed that exercise of enhancing international cooperation for development should not merely be limited to the reform of existing bodies, structures and operational activities, but should also be designed to substantially strengthen the role of the United Nations in promoting economic growth and development in developing countries.

98. At the same time, the Ministers noted that, unlike in the political sphere, where a major evolution of the United Nations role has already taken place, the United Nations role in the global economic and social context has not kept pace with the dramatic and fundamental changes underway nor with the emerging new realities and their impact on the developing countries. They therefore stressed the urgent need to strengthen the capacity and effectiveness of the United Nations in these sectors. They added that the economic and social problems, especially in view of the increased recognition of the interdependence of peace, security and development, should be given the same priority and urgency already accorded the political and security issues. They called upon the Secretary-General to substantially reflect this priority in his forthcoming report on the agenda for development to the 48th session of the General Assembly, taking into account the needs and requirements of developing countries.

99. The Ministers stressed the paramount importance of the United Nations Charter in ensuring the right of peoples including Palestinians and other Arabs in the occupied Arab territories to their natural resources and other principles enshrined in the

United Nations Charter for the exercise of their right to development.

100. The Ministers took note of the various efforts to restructure and revitalize the United Nations to-date and stressed that in the economic and social areas, including the reforms of the Secretariat, they should reflect the basic principles and guidelines contained in GA Res.45/264. In this context, they also reaffirmed that the restructuring exercise should be primarily an intergovernmental responsibility and should be designed to achieve the objectives and priorities of the United Nations in the economic, social and related fields as set forth in the relevant resolutions of the General Assembly. The process should aim at achieving greater complementarity between the bodies and organs of the United Nations with the General Assembly, while at the same time ensuring the latter's position as the principal organ of the United Nations in the economic, social and related fields.

101. The Ministers recalled that the restructuring process of the United Nations was conceived to increase its effectiveness and efficiency in responding to the critical needs of the developing countries, particularly for furthering their development efforts and for integrating themselves into the world economy. The Ministers emphasized, however, that such efforts should not be achieved at the expense of smaller and weaker member countries' endeavours to participate actively in the policy-making process. The exercise should also enhance the democratization and

transparency of the work of the United Nations system so as to facilitate greater participation and influence of developing countries in the decision-making process in international cooperation for development. In this regard, the Ministers expressed concern over the increasing trends to make use of informal non-transparent negotiating mechanisms in the United Nations. They stressed the need to reverse this trend and to use established inter-governmental bodies and procedures for negotiations in order to ensure the full involvement of all member states. Furthermore they saw the need for additional efforts to strengthen the relevant bodies of the United Nations as well as to improve its relationship with the specialized agencies such as the World Bank, the International Monetary Fund and the GATT. These efforts should help to coordinate the policies of these institutions with the overall global policies of the United Nations system. In this connection, the Ministers welcomed and expressed their full support for the initiatives and extensive work already undertaken by the Group of 77. They also commended the Task Force of the NAM on their general work in the field of restructuring the United Nations.

102. The Ministers noted that the General Assembly is the primary universal forum for pursuing the development dialogue within its political context. The capacity of the General Assembly, therefore, should be strengthened to fully carry out its functions more effectively and efficiently. In this regard, the Ministers emphasized the important role of the Second and Third Committees.

103. The Ministers stressed that the ECOSOC should play a central role in providing the General Assembly with policy recommendations on macro-economic coordination at the global level, as well as the coordination and provision of operational guidance for the development activities of the United Nations. Therefore, they welcomed the reforms already established including those of the high-level segment, the coordination segment and the operational activities segment of the Council, but they recommended that these steps should be further strengthened. In this connection, the Ministers considered that the current participation of the representatives of the Bretton Woods Agencies in the high-level segment should be further enhanced. This would facilitate and encourage their active involvement in those deliberations, including their presentation of their reports on the substantive themes. As long-term objective, the further integration of the Bretton Woods institutions into the United Nations system is desired as it would strengthen the role of the United Nations in enhancing macro-economic coordination and the effective management of international economic relations. The Ministers affirmed that the output of the high-level segment should go beyond the President's Summary and should produce something more concrete in the form of agreed recommendations for policy action.

104. The Ministers reaffirmed that the operational segment of the ECOSOC should both coordinate and provide overall guidance for the operational activities for development on a system-wide basis as well as monitoring the division of labour and cooperation

among the United Nations Funds and Programmes. In stressing the need to rationalize the operational activities of the United Nations system, the Ministers were of the view that these activities should be based on, inter alia, the principles of universality, neutrality and multilateralism as well as being both on a voluntary basis and of a grant nature. The Ministers further emphasized that the programming of United Nations operational activities must be in full accordance with the priorities, objectives, national plans and development strategies of developing countries. They also emphasized that such activities should have the ability to respond to the needs of the developing countries in a flexible manner, free of any conditionality and should be carried out at the request of the developing countries concerned. In this regard, they asserted the need to further decentralize the operational activities at the country level and in the regional commissions. They also stressed that coordination at the country level, together with national capacities and national execution of projects, should be further strengthened.

105. The Ministers asserted that there should be a substantial real increase in the resources for United Nations operational activities for development and that they should be available on a predictable, continuous and assured basis. Such resources should be commensurate with the expanding needs of the developing countries and should also remain free from any conditionalities imposed by major contributors. In this context, the special needs of the LDC's should be fully taken into account.

106. The Ministers recalled that the Jakarta Summit, in noting the efforts to restructure the United Nations Secretariat, hoped to focus the attention of the international community, in particular that of the United Nations, on development issues in response to the critical and urgent needs of the developing countries. In this regard, the Ministers were of the view that the Secretariat should be supportive of inter-governmental actions in reinvigorating the development dialogue towards building consensus and mobilizing additional multilateral resources. The Ministers emphasized the need to strengthen the Secretariat units responsible for the economic, social and related fields. They stressed that there should be a clear division of labour among these units to enhance their effectiveness and efficiency while maintaining the integrity of their programmes and inter-governmental mechanisms. They also stressed the need for full consultation between the Secretary-General and the Member States and emphasized that these reforms should reflect the inter-governmental agreements on the restructuring of the United Nations.

107. The Ministers underlined the urgency for the Secretary-General to ensure the distribution of the professional staff posts, especially at the higher levels, of the United Nations Secretariat and other United Nations organizations based on equitable geographical distribution. It should also be balanced according to gender, while not neglecting professional qualifications.